

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



**CORRECTED
FISCAL NOTE**

SB 374 - HB 826

March 21, 2013

SUMMARY OF BILL: Adds nine development districts pursuant to Title 13, Chapter 14, Part 1, to the sunset cycle provisions under the *Tennessee Governmental Entity Review Law*, thus creating a termination date of June 30, 2015, for the nine districts.

ESTIMATED FISCAL IMPACT:

On February 14, 2013, a fiscal note was issued for this bill indicating the following fiscal impact:

NOT SIGNIFICANT

On March 4, 2013, additional information was received from the Comptroller of the Treasury. Based on the additional information, the fiscal impact of this bill is estimated as follows:

(CORRECTED)

**Increase State Expenditures - \$3,200/One-Time
\$171,500/Recurring**

Assumptions:

- The nine development districts are as follows: the East Tennessee Development District, the First Tennessee Development District, the Greater Nashville Regional Council, the Memphis Area Association of Governments, the Northwest Tennessee Development District, the South Central Tennessee Development District, the Southeast Tennessee Development District, the Southwest Tennessee Development District, and the Upper Cumberland Development District.
- Any increase in state expenditures to add the nine development districts to the sunset provisions in statute will be not significant.
- According to the Comptroller, sunset performance audits will need to be performed for each of the nine development districts. Given that performing such audits will require travel to nine different locations, two additional positions will be required. The recurring increase in state expenditures for the positions is estimated to be \$131,540 (for salary and benefits), plus travel expenses of approximately \$40,000, for a total recurring increase in state expenditures of \$171,540. One-time costs associated with the positions are estimated to be \$3,200 (for computers and software).

- According to the Department of Economic and Community Development (ECD), the nine development districts were appropriated a cumulative total of \$1,470,000 for FY11-12. ECD indicates that the nine development districts are currently budgeted to expend \$1,950,000 in FY12-13, which includes \$450,000 for local planning assistance.

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink, appearing to read "Lucian D. Geise". The signature is fluid and cursive, with the first name "Lucian" and last name "Geise" clearly distinguishable.

Lucian D. Geise, Executive Director

/rnc